

Research and Development Expenses Credit

1996

For the calendar year 1996, or fiscal year

beginning _____, 19____, and ending _____, 19____

Attach to your return

Name as shown on Form 120, 120S or 120X

Federal employer ID number

Part I Standard Credit Computation for Current Taxable Year Corporate Research and Development Expenses

1	Basic research payments paid or incurred to qualified organizations	1							
2	Base period amount	2							
3	Subtract line 2 from line 1. <i>If less than zero, enter zero (0)</i>							3	
Qualified research expenses paid or incurred (lines 4 - 7)									
4	Wages for qualified services (do not include wages used in figuring the federal work opportunity credit)	4							
5	Cost of supplies	5							
6	Rental or lease cost of computers	6							
7	Contract research expenses. <i>See instructions</i>	7							
8	Total qualified research expenses. <i>Add lines 4 through 7. Enter the total</i>							8	
9	Enter average annual gross receipts. <i>See instructions</i>	9							
10	Enter fixed-base percentage, but not more than 16%.	10							
11	Base amount. <i>Multiply line 9 by the percentage on line 10. Enter the result</i>							11	
12	Subtract line 11 from line 8. <i>If less than zero, enter zero (0)</i>							12	
13	Multiply line 8 by 50% (.50). <i>Enter the result</i>							13	
14	Enter the lesser of line 12 or line 13							14	
15	Add lines 3 and 14. <i>Enter the total</i>							15	
16	Tentative credit for current taxable year research and development expenses. <i>Multiply line 15 by 20% (.20). Enter the result</i>							16	
17	Maximum credit allowed. <i>See instructions</i>							17	
18	Credit for current taxable year research and development expenses. <i>Enter the lesser of line 16 or line 17</i>							18	

Part II Alternative Credit Computation for Current Taxable Year Corporate Research and Development Expenses

19	Basic research payments paid or incurred to qualified organizations	19							
20	Base period amount	20							
21	Subtract line 20 from line 19. <i>If less than zero, enter zero (0)</i>							21	
22	Tentative credit for basic research payments. <i>Multiply line 21 by 20% (.20). Enter the result</i>							22	
Qualified research expenses paid or incurred (lines 23 - 26)									
23	Wages for qualified services (do not include wages used in figuring the federal work opportunity credit)	23							
24	Cost of supplies	24							
25	Rental or lease cost of computers	25							
26	Contract research expenses. <i>See instructions</i>	26							
27	Total qualified research expenses. <i>Add lines 23 through 26</i>							27	
28	Enter average annual gross receipts. <i>See instructions</i>							28	
29	Enter the applicable percentage. <i>See instructions</i>	29							
30	Multiply line 28 by line 29. <i>Enter the result</i>							30	
31	Multiply line 28 by 1% (.01). <i>Enter the result</i>							31	
32	Subtract line 31 from line 30. <i>Enter the difference</i>							32	
33	Tier 1 credit. Multiply line 32 by 1.65% (.0165). <i>Enter the result</i>							33	
34	Enter the applicable percentage. <i>See instructions</i>	34							
35	Multiply line 28 by line 34. <i>Enter the result</i>							35	
36	Multiply line 28 by 1.5% (.015). <i>Enter the result</i>							36	
37	Subtract line 36 from line 35. <i>Enter the difference</i>							37	
38	Tier 2 credit. Multiply line 37 by 2.2% (.022). <i>Enter the result</i>							38	
39	Multiply line 28 by 2% (.02). <i>Enter the result</i>							39	
40	Subtract line 39 from line 27. <i>Enter the difference</i>							40	
41	Tier 3 credit. Multiply line 40 by 2.75% (.0275). <i>Enter the result</i>							41	
42	Tentative credit for qualified research expenses. <i>Add lines 33, 38, and 41. Enter the total</i>							42	
43	Tentative credit for current taxable year research and development expenses. <i>Add lines 22 and 42. Enter the total</i>							43	
44	Maximum credit allowed. <i>See instructions</i>							44	
45	Credit for current taxable year research and development expenses. <i>Enter the lesser of line 43 or line 44</i>							45	

Part III Computation of Excess Qualified Research Expenses for Current Taxable Year for Standard Credit Computation

46	Qualified research expenses in excess of base amount. <i>See instructions</i>	46		
47	Total qualified research expenses used to compute the maximum allowable credit. <i>See instructions</i>	47		
48	Excess qualified research expenses available for carryforward. <i>See instructions</i>	48		

Part IV Computation of Excess Qualified Research Expenses for Current Taxable Year for Alternative Credit Computation

49	Qualified research expenses in excess of the base amount. <i>See instructions</i>	49		
50	Total qualified research expenses used to compute the maximum allowable credit. <i>See instructions</i>	50		
51	Excess qualified research expenses available for carryforward. <i>See instructions</i>	51		

Part V Available Carryover of Excess Qualified Research Expenses

	(a) Carryover from taxable year ending	(b) Original amount of excess qualified research expenses	(c) Amount previously used	(d) Available carryover Subtract column (c) from column (b)
52				
53				
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67	Total			

Part VI Total Available Credit

68	Credit for current taxable year research and development expenses. <i>Enter the amount from Part I, line 18, or from Part II, line 45</i>	68		
69	Excess qualified research expenses carryover. <i>See instructions</i>	69		
70	Credit for carryover of excess qualified research expenses. <i>See instructions</i>	70		
71	Total available credit. <i>Add lines 68 and 70. Enter the result here and on Arizona Form 300, Part I, line 6.</i>	71		

For the calendar year 1996, or fiscal year

beginning _____, 19_____, and ending _____, 19_____

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Name as shown on Form 120, 120S or 120X	Federal employer ID number
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Part I Credit for Current Taxable Year Corporate Research and Development Expenses

1 Basic research payments paid or incurred to qualified organizations	1								
2 Base period amount	2								
3 Subtract line 2 from line 1. <i>If less than zero, enter zero (0)</i>								3	
Qualified research expenses paid or incurred (lines 4 - 7)									
4 Wages for qualified services (do not include wages used in figuring the federal jobs credit).....	4								
5 Cost of supplies	5								
6 Rental or lease cost of computers	6								
7 Enter 65% (.65) of contract expenses	7								
8 Total qualified research expenses. <i>Add lines 4 through 7</i>								8	
9 Enter average annual gross receipts. <i>See instructions</i>	9								
10 Enter fixed-base percentage, but not more than 16%.	10								
11 Base amount. <i>Multiply line 9 by the percentage on line 10</i>								11	
12 Subtract line 11 from line 8. <i>If less than zero, enter zero (0)</i>								12	
13 Multiply line 8 by 50% (.50)								13	
14 Enter the lesser of line 12 or 13								14	
15 Add lines 3 and 14								15	
16 Tentative credit for current taxable year research and development expenses. <i>Multiply line 15 by 20% (.20)</i>								16	
17 Maximum credit allowed. <i>See instructions</i>								17	
18 Credit for current taxable year research and development expenses. <i>Enter the lesser of line 16 or line 17</i>								18	

Part II Computation of Excess Qualified Research Expenses (for current taxable year)

19 Qualified research expenses in excess of base amount. <i>See instructions</i>	19								
20 Total qualified research expenses used to compute the maximum allowable credit. <i>See instructions</i>	20								
21 Excess qualified research expenses available for carryforward. <i>See instructions</i>	21								

Part III Available Carryover of Excess Qualified Research Expenses (from prior taxable years)

22 Enter the amount from Part III Worksheet, page 2, line 42, column (d)	22								
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Part IV Total Available Credit

23 Credit for current taxable year research and development expenses. <i>Enter the amount from Part I, line 18</i>	23								
24 Excess qualified research expenses carryover. <i>See instructions</i>	24								
25 Credit for carryover of excess qualified research expenses. <i>Multiply line 24 by 20% (.20)</i>	25								
26 Total available credit. <i>Add lines 23 and 25. Enter the result here and on Arizona Form 300, Part I, line 6.</i>	26								

Part III Worksheet Available Carryover of Excess Qualified Research Expenses

	(a)	(b)	(c)	(d)
	Carryover from taxable year	Original amount of excess qualified research expenses	Amount previously used	Available carryover Subtract column (c) from column (b)
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42	Total			